

1 COOLEY LLP
2 Mark F. Lambert (197410) (mlambert@cooley.com)
3 Lam K. Nguyen (265285) (lnguyen@cooley.com)
4 Jeffrey M. Walker (280505) (jwalker@cooley.com)
5 3175 Hanover Street
6 Palo Alto, CA 94304-1130
7 Telephone: (650) 843-5000
8 Facsimile: (650) 849-7400

9 Erik B. Milch (*pro hac vice*) (emilch@cooley.com)
10 One Freedom Drive
11 Reston, VA 20190-5656
12 Telephone: (703) 456-8000
13 Facsimile: (703) 456-8100

14 Nicholas G. Lockhart (*pro hac vice*) (nlockhart@cooley.com)
15 1299 Pennsylvania Avenue, NW, Suite 700
16 Washington, DC 20004-2400
17 Telephone: (202) 962-8361
18 Facsimile: (202) 842-7899

19 Attorneys for Plaintiff Quanergy Systems, Inc.

20 UNITED STATES DISTRICT COURT
21 NORTHERN DISTRICT OF CALIFORNIA
22 SAN JOSE DIVISION

23 Quanergy Systems, Inc.,

24 Case No. 5:16-cv-05251-EJD

25 Plaintiff,

26 **ANSWER TO DEFENDANT'S
27 COUNTERCLAIMS**

28 v.

Velodyne LiDAR, Inc.,

Defendant. **DEMAND FOR JURY TRIAL**

1 Plaintiff and Counterclaim-Defendant, Quanergy Systems, Inc. (“Quanergy”) for its answer
 2 to the Counterclaims of Defendant and Counterclaim-Plaintiff Velodyne LiDAR, Inc. (“Velodyne”):

3 **NATURE OF ACTION**

4 1. Quanergy admits the Counterclaims purport to be an action arising under the patent
 5 laws of the United States. Quanergy denies the legal sufficiency of Velodyne’s counterclaims and
 6 denies that Velodyne has any viable claim as to Quanergy.

7 **INTRADISTRICT ASSIGNMENT**

8 2. Quanergy admits that the Counterclaims should be assigned pursuant to Civil Local
 9 Rule 3-2(a).

10 **THE PARTIES**

11 3. Admitted.

12 4. Admitted.

13 **JURISDICTION AND VENUE**

14 5. Quanergy admits the Counterclaims purport to be an action arising under the patent
 15 laws of the United States for which the Court would have subject matter jurisdiction pursuant to 28
 16 U.S.C. §§ 1331 and 1338(a). Quanergy denies the legal sufficiency of Velodyne’s counterclaims
 17 and denies that Velodyne has any viable claim as to Quanergy.

18 6. Quanergy admits that it is subject to personal jurisdiction in this judicial district.
 19 Quanergy denies any and all allegations of patent infringement alleged in the Counterclaims.
 20 Quanergy admits that it has a place of business in Sunnyvale.

21 7. Quanergy admits that venue is proper in this District. Quanergy denies any and all
 22 allegations of patent infringement alleged in the Counterclaims.

23 **INTRODUCTION**

24 8. Quanergy lacks sufficient information to form a belief as to the truth of the
 25 allegations cited in paragraph 8 of the Counterclaims, and on that basis denies them.

26 9. Quanergy lacks sufficient information to form a belief as to the truth of the
 27 allegations cited in paragraph 9 of the Counterclaims, and on that basis denies them.

28 10. Quanergy lacks sufficient information to form a belief as to the truth of the

1 allegations cited in paragraph 10 of the Counterclaims, and on that basis denies them.

2 **VELODYNE'S '558 PATENT**

3 11. Quanergy lacks sufficient information to form a belief as to the truth of the
4 allegations cited in paragraph 11 of the Counterclaims, and on that basis denies them.

5 12. Quanergy denies that the '558 patent was duly and legally issued. Quanergy admits
6 that Exhibit A purports to be a copy of the '558 patent.

7 13. Quanergy denies that the '558 patent is valid and enforceable. Quanergy admits that
8 the '558 patent, on its face, indicates that it was filed on July 13, 2007. Quanergy admits that the
9 '558 patent, on its face, identifies provisional patent application no. 60/807,305 as a related
10 application. Quanergy admits that the '558 patent, on its face, lists David S. Hall as the sole
11 inventor. Quanergy lacks sufficient information to form a belief as to the truth of the remaining
12 allegations cited in paragraph 13 of the Counterclaims, and on that basis denies them.

13 14. Quanergy denies that the '558 patent is valid and enforceable. Quanergy lacks
14 sufficient information to form a belief as to the truth of the remaining allegations cited in paragraph
15 14 of the Counterclaims, and on that basis denies them.

16 **QUANERGY'S M8-1 SENSOR**

17 15. Quanergy admits that Louay Eldada founded Quanergy and that Quanergy provides
18 LiDAR products for various purposes. Quanergy lacks sufficient information to form a belief as to
19 the truth of the remaining allegations cited in paragraph 15 of the Counterclaims, and on that basis
20 denies them.

21 16. Admitted.

22 17. Admitted.

23 18. Quanergy admits that Exhibit B purports to be a true and correct copy of a Quanergy
24 Data Sheet. Quanergy admits the remaining allegations in paragraph 18 of the Counterclaims.

25 19. Quanergy lacks sufficient information to form a belief as to the truth of the
26 allegations cited in paragraph 19 of the Counterclaims, and on that basis denies them.

27 20. Denied.

28 21. Quanergy admits that it markets and sells the M8-1 Sensor. Quanergy lacks sufficient

1 information to form a belief as to the truth of the remaining allegations cited in paragraph 21 of the
 2 Counterclaims, and on that basis denies them.

3 **22.** Quanergy admits that its U.S. Patent Application No. 14/140,522 references the '558
 4 patent. The remaining allegations in paragraph 22 of the Counterclaims are a legal conclusion to
 5 which no response is necessary. To the extent a response is necessary, Quanergy denies the
 6 allegations.

7 **23.** Quanergy admits that it received a letter from Velodyne's counsel with allegations of
 8 infringement. The remaining allegations in paragraph 23 of the Counterclaims are a legal conclusion
 9 to which no response is necessary. To the extent a response is necessary, Quanergy denies the
 10 allegations.

11 **24.** Quanergy denies any and all allegations of patent infringement in the Counterclaims.
 12 The remaining allegations in paragraph 24 of the Counterclaims are a legal conclusion to which no
 13 response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

14 **COUNT I – ALLEGED INFRINGEMENT OF U.S. PATENT NO. 7,969,558**

15 **25.** Quanergy incorporates by reference its responses to paragraphs 1 through 24 of
 16 Velodyne's Counterclaims above as though fully set forth herein.

17 (a) Alleged Direct Infringement of the '558 Patent

18 **26.** The allegations in paragraph 26 of the Counterclaims are a legal conclusion to which
 19 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

20 **27.** Admitted.

21 **28.** The allegations in paragraph 28 of the Counterclaims are a legal conclusion to which
 22 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

23 **29.** The allegations in paragraph 29 of the Counterclaims are a legal conclusion to which
 24 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

25 **30.** The allegations in paragraph 30 of the Counterclaims are a legal conclusion to which
 26 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

27 **31.** The allegations in paragraph 31 of the Counterclaims are a legal conclusion to which
 28 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

1 **32.** The allegations in paragraph 32 of the Counterclaims are a legal conclusion to which
 2 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

3 **33.** The allegations in paragraph 33 of the Counterclaims are a legal conclusion to which
 4 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

5 **34.** The allegations in paragraph 34 of the Counterclaims are a legal conclusion to which
 6 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

7 **35.** Admitted.

8 **36.** The allegations in paragraph 36 of the Counterclaims are a legal conclusion to which
 9 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

10 **37.** The allegations in paragraph 37 of the Counterclaims are a legal conclusion to which
 11 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

12 **38.** The allegations in paragraph 38 of the Counterclaims are a legal conclusion to which
 13 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

14 **39.** The allegations in paragraph 39 of the Counterclaims are a legal conclusion to which
 15 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

16 **40.** The allegations in paragraph 40 of the Counterclaims are a legal conclusion to which
 17 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

18 **41.** The allegations in paragraph 41 of the Counterclaims are a legal conclusion to which
 19 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

20 **(b) Alleged Induced Infringement of the '558 Patent**

21 **42.** The allegations in paragraph 42 of the Counterclaims are a legal conclusion to which
 22 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

23 **43.** Quanergy incorporates by reference its responses to paragraphs 22-24 of the
 24 Counterclaims. The remaining allegations in paragraph 43 of the Counterclaims are a legal
 25 conclusion to which no response is necessary. To the extent a response is necessary, Quanergy
 26 denies the allegations.

27 **44.** The allegations in paragraph 44 of the Counterclaims are a legal conclusion to which
 28 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

1 **45.** The allegations in paragraph 45 of the Counterclaims are a legal conclusion to which
 2 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

3 **(c) Alleged Contributory Infringement**

4 **46.** The allegations in paragraph 46 of the Counterclaims are a legal conclusion to which
 5 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

6 **47.** Quanergy incorporates by reference its responses to paragraphs 22-24 of the
 7 Counterclaims. The remaining allegations in paragraph 47 of the Counterclaims are a legal
 8 conclusion to which no response is necessary. To the extent a response is necessary, Quanergy
 9 denies the allegations.

10 **48.** The allegations in paragraph 48 of the Counterclaims are a legal conclusion to which
 11 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

12 **49.** The allegations in paragraph 49 of the Counterclaims are a legal conclusion to which
 13 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

14 **50.** The allegations in paragraph 50 of the Counterclaims are a legal conclusion to which
 15 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

16 **51.** The allegations in paragraph 51 of the Counterclaims are a legal conclusion to which
 17 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

18 **52.** The allegations in paragraph 52 of the Counterclaims are a legal conclusion to which
 19 no response is necessary. To the extent a response is necessary, Quanergy denies the allegations.

20 **(d) Quanergy's Alleged Willful Infringement of the '558 Patent**

21 **53.** Quanergy incorporates by reference its responses to paragraphs 22-24 of the
 22 Counterclaims. The remaining allegations in paragraph 43 of the Counterclaims are a legal
 23 conclusion to which no response is necessary. To the extent a response is necessary, Quanergy
 24 denies the allegations.

25 **54.** Denied.

26 **55.** Denied.

RESPONSE TO VELODYNE'S PRAYER FOR RELIEF

Quanergy incorporates by reference all preceding paragraphs of this Answer to Velodyne's Counterclaims as if fully set forth herein. Quanergy denies any and all allegations of patent infringement alleged in the Counterclaims. Quanergy denies all allegations that Velodyne is entitled to any relief requested in paragraphs "A-K" of the Counterclaims' Prayer for Relief or any other relief.

VELODYNE'S DEMAND FOR JURY TRIAL

The allegations in this paragraph of the Counterclaims are a legal conclusion to which no response is necessary.

AFFIRMATIVE DEFENSES

Pursuant to Federal Rule of Civil Procedure 8(c), and without altering any applicable burdens of proof, Quanergy asserts the following defenses to the Counterclaims and reserves its right to assert additional defenses.

FIRST AFFIRMATIVE DEFENSE – NON-INFRINGEMENT

1. Quanergy does not directly or indirectly infringe and has not directly or indirectly infringed any claim of the '558 patent.

SECOND AFFIRMATIVE DEFENSE – INVALIDITY

2. One or more of the claims of the '558 patent are invalid for failure to satisfy the conditions of patentability set forth in 35 U.S.C. §§ 101 et seq., including, but not limited to §§ 101, 102, 103, and/or 112.

THIRD AFFIRMATIVE DEFENSE – LIMITATION ON DAMAGES

3. Velodyne's claims for damages are barred, in whole or in part, by 35 U.S.C. § 287, 35 U.S.C. § 288, and/or 28 U.S.C. § 1498.

FOURTH AFFIRMATIVE DEFENSE – FAILURE TO STATE A CLAIM

4. The Counterclaims fail to state a claim upon which relief can be granted.

FIFTH AFFIRMATIVE DEFENSE – LICENSE

5. Velodyne's claims for damages are limited to the extent any accused instrumentalities are licensed.

SIXTH AFFIRMATIVE DEFENSE – EQUITABLE DEFENSES

6. Velodyne's claims are barred, in whole or in part, by estoppel, acquiescence, prosecution laches, unclean hands, and/or other equitable doctrines.

RESERVATION OF RIGHTS

Quanergy reserves all other affirmative defenses pursuant to Rule 8(c) of the Federal Rules of Civil Procedure, the Patent Laws of the United States, and any other defenses, at law or in equity, that now exist or in the future may be available based on discovery and further factual investigation in this case.

PRAYER FOR RELIEF

WHEREFORE, Quanergy prays that this Court enter judgment:

A. In favor of Quanergy, and against Velodyne, thereby dismissing the Counterclaims with prejudice, with Velodyne taking nothing by way of its claims;

B. That Quanergy has not directly infringed, and is not now directly infringing any valid claim of the '558 patent under any subsection of 35 U.S.C. § 271;

C. That all asserted claims of the '558 patent are invalid and/or unenforceable;

D. That this case stands out from others and as such is an exceptional case pursuant to 35 U.S.C. § 285 and ordering Velodyne to pay Quanergy's reasonable attorneys' fees incurred in this action;

E. That Velodyne pay all costs incurred by Quanergy in this action; and awarding Quanergy all other relief the Court deems just and proper.

DEMAND FOR JURY TRIAL

Quanergy respectfully requests a trial by jury on all issues so triable.

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1 Dated: January 16, 2017

COOLEY LLP

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/s/Erik B. Milch

4 Erik B. Milch

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6 Attorneys for Plaintiff
7 Quanergy Systems, Inc.

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